Direct Dial: 716.848.1520



August 7, 2015

Via U.S. Mail and Email

Burton/Wolfe Entertainment LLC Attn: Mark Wolfe 13547 Ventura Blvd. Ste 209 Sherman Oaks, CA 91423

Dear Mr. Wolfe:

Jodyann Galvin Partner

jgalvin@hodgsonruss.com

Notice of Termination of License Agreement between WNED and RRKIDZ Re:

This firm represents Western New York Public Broadcasting Association ("WNED"). We are writing to address several issues regarding the license agreement between WNED and RRKIDZ, Inc. ("RRKIDZ") concerning the READING RAINBOW® television series and intellectual property related thereto (the "License").

In the spirit of maintaining the long-standing relationship between WNED and RRKIDZ and their respective principals, WNED has shown tremendous patience and good faith and cooperation in working with RRKIDZ over the last several months to address disagreements related to the nature and scope of rights granted to RRKIDZ in the License. These efforts included significant correspondence with Linda Benjamin of RRKIDZ and several exchanges between Don Boswell and you.

WNED's efforts have unfortunately not succeeded, and WNED and RRKIDZ have not reached a resolution. WNED and RRKIDZ continue to disagree on material aspects of their business relationship and the License, and RRKIDZ continues to act in violation of the License and WNED's rights. It now appears that the elements of trust and transparency between WNED and RRKIDZ have eroded to the point that continuing under the terms of the License is no longer beneficial to WNED or feasible. Accordingly, WNED is exercising its right to terminate the License under Section 8.a. This letter constitutes notice thereof under Section 17 of the License.

There is no dispute that WNED owns all rights in the READING RAINBOW® trademarks and service marks (the "RR Marks"), all registrations and pending applications for the RR Marks in the United States and other countries, and other intellectual property associated with the original READING RAINBOW® television series that WNED created and produced (collectively the "RR Intellectual Property"). WNED granted RRKIDZ several rights in and to the RR Intellectual Property in the License. WNED also expressly reserved certain rights for itself in the License ("Reserved Rights"). Included among such Reserved Rights is the right to create and produce new episodes of READING RAINBOW® brand television programs and similar programs that feature the RR Marks or other related RR Intellectual Property ("New Episodes") for first

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exposure via any means. See License, Section 3. The rights granted to RRKIDZ in Section 2 of the License expressly exclude the rights reserved to WNED in Section 3.

RRKIDZ has violated the License and WNED's rights with respect to New Episodes in several ways:

- 1. RRKIDZ has violated and continues to violate WNED's Reserved Rights in New Episodes under Sections 3.a. and 3.d. of the License by creating and distributing New Episodes via the www.readingrainbow.com website and YouTube.com. Such New Episodes include:
 - a. "Video Field Trips" (https://www.youtube.com/user/readingrainbow/videos). See Exhibit 1 for printouts from the referenced websites.
 - b. "Story Time Videos" (https://www.youtube.com/user/readingrainbow/videos). See Exhibit 2 for printouts from the referenced websites.
 - c. "uTech" Videos (https://www.readingrainbow.com/site/blog/2015/02/23/levar-burton-reading-rainbow-making-technology-science-education-fun-kids-new-series-youtube/). See Exhibit 3 for printouts from the referenced websites.
- 2. RRKIDZ has violated and continues to violate WNED's Reserved Rights in New Episodes under Sections 3.a. and 3.d. of the License by planning New Episodes and negotiating with third parties for the production and distribution of same.
 - a. In September 2014, WNED learned that RRKIDZ was negotiating with Netflix to produce and distribute New Episodes. This fact alone constituted a breach of the License and WNED's Reserved Rights. After numerous discussions among several individuals, including you, Don Boswell, Nancy Hammond, LeVar Burton, and Linda Benjamin, during which WNED made clear that it must approve in advance and be included in any discussions or activities concerning New Episodes, the potential deal with Netflix did not proceed.
 - b. But RRKIDZ continues to pursue New Episodes without WNED's knowledge or consent. For example, WNED learned from an article titled "Millennials cry happy tears as 'Reading Rainbow' debuts on Netflix" located on www.upworthy.com, that: "Brand new episodes of "Reading Rainbow" are on the way, too. ... Burton's been hard at work shooting more content for the new "Reading Rainbow" While the new episodes won't be available on Netflix, Burton hopes to make the content available on mobile devices, set-top boxes, and gaming consoles." See

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http://www.upworthy.com/millennials-cry-happy-tears-as-reading-rainbow-debuts-on-netflix; see also Exhibit 4 for a printout from the referenced website.

c. The same article states that, in 2014, "Burton started a Kickstarter campaign to produce new episodes of the show." Although WNED knew about the Kickstarter fundraiser, this is the first time that WNED has had any indication that the fundraiser was for the purposes of producing New Episodes.

The foregoing activities constitute, among other things: (i) a clear and material breach of the License and WNED's Reserved Rights; (ii) trademark infringement; and (iii) unfair competition. WNED has not licensed RRKIDZ the right to use the RR Intellectual Property for such purposes.

WNED demands that RRKIDZ remove the video collections referenced above in item 1 from the Internet and all other distribution channels, and that it forever cease from creating and distributing these and other video collections that feature RR Intellectual Property in the future. WNED further demands that RRKIDZ cease the activity referenced above in item 2, and desist from all similar activities concerning the planning, production, and/or distribution of New Episodes in the future.

Finally, WNED demands a review and/or audit of the books and records of RRKIDZ as provided for in Section 13 of the License.

If RRKIDZ fails to comply with WNED's demands, the License will terminate pursuant to Section 8.a. WNED requests written confirmation from RRKIDZ within 14 days from the date of this letter that RRKIDZ will comply in full with WNED's demands.

We look forward to your prompt and complete response. WNED reserves all of its rights, including the right to take all appropriate legal action.

Very truly yours,

Jodyann Galvin

cc: Penelope Glass, Esq. (via U.S. Mail and email: pg@penelopeglasslaw.com)
Ms. Linda Benjamin (via email: <u>linda@rrkidz.com</u>)